**Government's commitment to M/s. Hoechst**

1621. CHOWDHARY RAM SEWAK: Will the PRIME MINISTER be pleased to state:

(a) whether it is a fact that M/s. Hoechst has pleaded that Government have given commitment to the effect that the company has to pay only Rs. 3.20 crores towards DPEA; and

(b) what is the latest drug-wise liability worked out against Hoechst, Glaxo and other drug companies who went to Court and whether the same has been worked out on bulk drugs or formulations?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI CHINTA MOHAN): (a) The records of this Department do not indicate any such commitment having been given to the company.

(b) The liabilities of the Companies have been calculated on bulk drugs in certain cases and on the formulations in certain other cases. The details are given in the statement.

**Statement**

*Details showing the latest liability towards DPEA worked out against the companies who went to Court*

| S. No. | Name of the Company (Drugs involved) | Amount worked out (Rs./lakhs) |
|---|---|---|
| 1 | 2 | 3 |
| 1 | M/s. Gyanamid India Ltd. (Demethyl-Chloro Tetracycline and formulations) | 490.47 |
| 2 | M/s. Hoechst India Ltd. (Baralgon Ketone, Frusemide, Pheniramine Maleate, PT, Glybenchlamide) | 7780.80 |
| 3 | M/s. John Wyeth & Geoffrey Manners (Benzathine Penicillin & forulations) | 206.04 |
| 4 | M/s. Merind (Dexamethasone & formulations) | 2288.54 |
| 5 | M/s. Pfizer (Oxytetracycline & formulations) | 87.61 |
| 6 | M/s. Franco India & Griffon (Phenoxy Methul Penicillin Tablets) | 14.02 |
| 7 | M/s. Tamil Nadu Dadha (Calcium Lactate) | 37.97 |
| 8 | M/s. Anil Starch (Dextrose Anhydrous | 11.61 |
| 9 | M/s. S.G. Pharmaceuticals (Oxyphenyl – Butazone) | 205.36 |
| 10 | M/s. Ethnor | 10.19 |
| 11 | M/s. Dolphin Labs. | 18.11 |
| 12 | M/s. Cadila Labs. P. Ltd.. (Rifampicin) | 76.52 |

| 1 | 2 | 3 |
|---|---|---|
| 13 | M/s. Fulford (I) Ltd. (Gantamycin) | 194.62 |
| 14 | M/s. Nicholas Labs. (Gentamycin) | 53.03 |
| 15 | M/s. Burroughs Wellcome (Sulphamathoxazole) | 441.27 |
| 16 | M/s. Lyka Labs. (Fluocinolone Acetonide) | 678.73 |
| 17 | M/s. Glaxo India Ltd. (Betamethasone & Salts) | 7178.18 |

**Basis of drug prices equalisation account's claims**

1622. SHRI H. HANUMANTHAPPA: CHOWDHARY RAM SEWAK:

Will the PRIME MINISTER be pleased to state:

(a) whether it is a fact that M/s. Glaxo created a provision of Rs. 30.87 crores in their balance sheet for the year 1988-89 for DPEA claims based on the Judgement of High Court;

(b) whether it is also a fact that this money was used by the company without any interest and no income tax was paid; and

(c) what is the break up of this amount yearwise?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI CHINTA MOHAN): (a) to (c) The information as supplied by the Company itself regarding provision made in its books for DPEA claims is given in the statement attached. The matter relating to recoveries from M/s. Glaxo is the subject matter of a Writ Petition in the Delhi High Court and is, therefor sub-Judice.

**Statement**

*Yearwise Details of provisions in the Books for DPEA Claims*

Rs. in Lakhs

| | Provision for the year | Cumulative |
|---|---|---|
| 1981-82 | 485.77 | 485.77 |
| 1982-83 | 481.13 | 966.90 |
| 1983-84 | 526.76 | 1493.66 |
| 1984-85 | 612.33 | 2105.99 |
| 1985-86 | 680.64 | 2786.63 |
| 1986-87 (Net of writeback arising out of Order of 20-11-86) | 770.57 | 2957.20 |
| 1987-88 | 128.64 | 3085.84 |
| 1988-89 (Writeback arising out of order of 2-1-89) | 522.74 | 2563·10 |